Putting Customers First

Serving the American Public: Best Practices in Telephone Service

NATIONAL
PERFORMANCE
REVIEW
AL GORE
Vice President of the United States

Federal Consortium Benchmark Study Report

February 1995

Printed on Recycled Paper

PUTTING CUSTOMERS FIRST

SERVING THE AMERICAN PUBLIC: BEST PRACTICES IN TELEPHONE SERVICE

NATIONAL PERFORMANCE REVIEW

FEDERAL CONSORTIUM
BENCHMARK STUDY REPORT

PRINTED ON RECYCLED PAPER

“We shouldn’t get a busy signal or be put on hold when we call. We should get accurate and courteous service from the first person we talk to . . .without needing to talk to several other people during the call. We want and deserve better service from our government.”

The Voice of the External Customer . . .the American People

“We should have quick access to information and the authority to make decisions so that we can address customers’ needs and concerns . . .and really be of service.”

The Voice of the Internal Customer . . .the Front–Line Worker

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FEBRUARY 1995

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OVERVIEW

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"The Federal Government must be customer driven."
—President Clinton

When Americans reach for their telephone and dial a number, they expect to get an answer. They expect to be treated courteously. They expect accurate information on topics as diverse as flight arrival times or their current bank balance. Essentially, they expect to be able to conduct their business — from ordering tomato plants or a medium–sized plaid shirt to changing their insurance coverage. In short, they expect excellent customer service. The private sector has set high standards for what Americans expect and get from telephone services.

Too often, in the past, when American citizens called their government, they didn't get the service they deserved. Just last year, the Immigration and Naturalization Service put Ann Landers on hold — it took her 45 minutes "to reach a live, warm body." Just as serious, when people do get through, often, they can't conclude their business or get the information they need. No wonder one frustrated American wrote, "It is appalling that taxpayers are expected to foot the bill for such poor services."

We agree and we are working to change it. Changes underway in many agencies have been given a huge impetus by the National Performance Review led by Vice President Al Gore. In September 1993, the National Performance Review issued its report with nearly 400 recommendations on ways to make the government work better and cost less and with a call to all government agencies to put their customers first, to empower their front-line employees, to cut red tape and get back to basics.

Within days, President Clinton issued an Executive Order that called for a customer service "revolution within the Federal government to change the way it does business." He called on government agencies to survey their customers, find out what they want, set customer service standards and compare their services against the "best in business."[1]

Many things have happened since that Executive Order was issued. Government managers and workers are listening to their customers, and are conducting surveys and focus groups to find out what really matters to them. Government agencies have set standards for customer service. The first comprehensive set of customer service standards for government was issued in September 1994, entitled Putting Customers First: Standards for Serving the American People.

Government agencies are also learning from business. For example, the U.S. Mint, which not only produces the nation's supply of coins but also sells them to collectors, has looked to companies like Lenox China and Black & Decker for lessons it can apply to its operations.

We looked to business in this study of the best in telephone service. It was a cooperative undertaking by ten government agencies and eight private companies to identify practices that can be applied in government to raise the level of service to equal the best in business.

WHY TELEPHONE SERVICE?

Baldrige National Quality Award[2] winners like AT&T Universal Card Services and the Xerox Corporation, benchmarking leaders like the International Benchmarking Clearinghouse, and cost—management leaders like Citibank, have been willing to open their doors to share what they are doing to provide excellent telephone service and to show federal employees what it takes to be "the best in business." We are grateful to them.

WHAT DID WE FIND?

Federal employees from ten agencies reviewed a wide range of studies to identify world class customer telephone service operations. We identified benchmarking partners and developed a list of questions to guide our data collection. We talked to businesses over the telephone and conducted actual site visits. We talked to front-line employees, managers, union officials and others. We found an amazing degree of similarity among industry's best. All of the benchmarking partners shared a number of common traits:

- All have strong corporate cultures which are totally focused on doing more than satisfying customers–on delighting them.
- The culture is based on guiding principles or values which have become ingrained throughout the organization. Senior managers, front-line and support employees live the values every day.
- All work towards achieving employee satisfaction because it results in higher quality performance.
- All commit the resources necessary to meet the customer service standards. This involves heavy investing in hiring and training the right employees, providing expert systems, and empowering employees.
- In all, there is open communication between senior managers and employees.
- All continuously survey customers and employees in order to understand how to improve services.
- In all, employees are empowered to handle calls to completion at the first contact.
- In all, employees are involved in all aspects of the calling center operation and planning process through cross–functional teams.

This report summarizes best practices that we identified in industry that may be applicable to government. It is organized around major themes—leadership, information management, planning, human resources, management of processes, results, and customer focus and satisfaction. These categories are also the seven categories used by the Baldrige Award. Threaded through each section is a consistent focus on the customers and an integration of the customers' needs into the organizations' management, technology and human resource systems.

WHAT'S NEXT?

Benchmarking isn't just finding out about what the best looks like. It means using that information to take the measure of one's own performance, identifying gaps in performance, and taking action to close the gaps.

That's where we are now. The agencies that led this study are now taking those next critical steps, laying the plans that will close the gap in performance. In fact, SSA has developed a comprehensive plan to address every aspect of this report. Meanwhile, the IRS has already taken steps to raise the level of their teleservice operating information kiosks designed to offer more choices on how and where to get information.

Other federal agencies are encouraged to use this study to help them identify where they have performance gaps and to take steps to close them. We encourage federal managers to compare these best practices against their own internal operations, identify areas where improvements can be made and develop action plans to adapt relevant practices to the operating environment of their particular agency. The ultimate objective is to give the American public the service they deserve.

Federal employees are also encouraged to share their own best practices. A side benefit of this study has been the creation of a network of federal employees who are working together to promote benchmarking in the federal government. The network, called BenchNet, is developing a data base of "promising practices" in the federal government in areas as diverse as financial management, procurement, downsizing and strategic planning.[3] This study, as well as future benchmarking studies, will also be available on BenchNet.

STARTING OUT?

We are just starting out; we know that we have a long way to go. We also know that we have a solid foundation in a workforce that is committed to providing excellent service to the American people. This study represents part of our efforts to change the systems so that we can provide that service.

Ultimately, we are determined to equal or exceed the best in business. The American people don't deserve any less.

Endnotes

1. Executive Order 12862, *Setting Customer Service Standards*, mandates that "All executive departments and agencies that provide significant services directly to the public shall. . . . benchmark customer service performance against the best in the business. . ."
2. The Baldridge Award was created by Congress to recognize the best businesses in America.
3. For information on accessing BenchNet, call (703) 487-4608.

Dear President Clinton:

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Best Practices are Tracked and Used: World-class organizations extensively and continuously benchmark, and maintain a database of best practices for use by the organization's work force.

Constantly Communicated Values: The organization's emphasis on maintaining a quality culture is demonstrated constantly through various communication mediums that reach the entire work force. These communication formats include newsletters, visual displays, electronic mail, and meetings.

Communication—a Two–Way Information Flow: Front–line workers are the major customers of the organization's information gathering process. World-class organizations recognize that front-line workers need timely and easy access to pertinent information if they are to provide world-class customer service. This includes information on such topics as new legislation, anticipated peak calling periods, and proposed information technology enhancements. Surveys of front-line workers are used to gauge management's effectiveness at ensuring the effective flow of information.

Visible Senior Leadership: Senior managers "shadow" a front-line worker for a day to better understand call operations, job procedures, working conditions and customer expectations. Senior managers also participate in, and frequently lead, new hire orientation training sessions.

Leaders Invest Time in People: Senior managers recognize that they will be developing tomorrow's leaders from today's front-line workers. Leaders encourage front-line workers to identify career growth opportunities. On a quarterly basis, front-line workers are encouraged to shadow the incumbents for a day in those jobs they might like to work in the future.

Accessible and Approachable Management: Front-line workers have on-line capability to elevate issues to senior management; they can expect to receive a direct response from management within 24 hours. In world-class organizations, all managers treat their front-line workers just like their customers–with courtesy, respect and responsiveness.

Span of Control: World-class organizations are flat, with typically no more than three management layers separating the front-line worker from the chief executive officer. Supervisors serve as team leaders; they report directly to the call center manager who, in turn, reports to a senior executive. Industry standards average 20-24 front-line workers per team leader.

Supervisor Role: Team leaders function as dedicated job coaches, not cops. Supervisors have few administrative duties; their main function is to train, coach and support front-line workers.

Management Role: Managers help customers by helping front-line work teams remove roadblocks to providing world-class service, and by responding promptly and effectively to customer queries, concerns and other feedback. Managers recognize the impacts their decisions can have on work teams and front-line workers, and place heavy emphasis on promoting a shared vision and values.

Front–line Authority to Act: Front-line workers are empowered to take all necessary actions to serve the customer. They don't need the approval of a supervisor or manager-but those resources are available to help the front–line workers if needed.

Teamwork and Sharing Environment: Leaders create a climate that fosters trust, teamwork and shared communication, and which permits learning and risk–taking.

Cross–Functional Decision Making: Managers in world-class organizations recognize that decisions in one area may affect other areas of the organization. For example, mandating all parts of the organization to take Mondays or Fridays off as part of a new 4–day work schedule may make sense in the support areas but would seriously degrade the effectiveness of the core business process, telephone services, if applied to the front-line workers.

Organized for Customer Service: The organization's focus is on the customer, not internal operations. Customers are the organization's reason for existence. By the same token, front-line workers are the primary link to these customers.

Commitment to Customer Service: Customer requirements are clearly defined, understood at all levels of the organization, and used to drive continuous cross–functional process improvements. Progress towards achieving customer delight is monitored daily and published monthly across the entire organization. The organization's guiding principles are centered on customer satisfaction and are used by managers and front-line workers in day-to-day decision making.

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process. By avoiding coded information (e.g., enter 23 to change marital status or 46 to add someone to this account), and by incorporating plain text, menu choices, and icons in application designs, front-line workers benefit from being able to concentrate on learning business functions, instead of a "user hostile" information system. This results in significant gains in front-line worker and customer satisfaction levels.

Real–Time Information Exchange and Retrieval: Send and receive fax servers allow front-line workers to transact with the customer in real time. Imaging systems allow front-line workers to access information quickly, even though it may be in a document that was received in paper form, such as an incoming letter from a customer or an archived transaction history. Electronic newsletters, bulletins, job announcements, and mail help to improve communications and front-line worker satisfaction.

Management Information: Managers or team leaders monitor calls and statistics on calls. These statistics include numbers of calls, call lengths, after call work time, and other measures for their group or individual front-line workers. They are also able to review system-wide statistics. These are used to help improve customer service and internal forecasting, not to criticize the front-line workers.

Forecasting for Success: Capacity planning and forecasting are based on many years worth of historical organizational and all-industry call center data. These data cover periods of excellent service, not poor service (high abandonment or busy out levels). Forecasts, down to fifteen-minute increments per day for individual front-line workers, are set at least 18 months in the future, and are used for call center circuitry and equipment capacity planning. These forecasts are reviewed daily and adjusted as needed. Forecasting accuracy is tracked weekly and monthly. Due to the use of the "excellent service" forecasting model and the accuracy of off-the-shelf forecasting and resourcing software, actual call volumes typically do not vary more than one-half of one percent from weekly and monthly forecasts.

Full–Spectrum Capacity Management: Information from a broad spectrum of sources, such as new product development, service problem resolution and prevention efforts, customer market segmentation (who calls and how often), press releases or media campaign plans, and historical statistics on the types of calls answered are key to effective capacity planning. Information from all of these sources is provided in a user-friendly format to front-line workers and call center managers so that they can anticipate and meet changing customer service needs.

Total Call Center Management: Effective call center operations conduct integrated resource planning and call center management across all sites, essentially treating several call centers as one large organization. Call loads are balanced across these sites to ensure customer access goals are achieved. Automated tools and analysis techniques are used. Alarms alert control center staff to call volume problems which are outside the norm for the time period. Increased flexibility, redundancy, and call handling capability are the main benefits of this approach as compared to planning on an individual site basis. To further improve efficiency and increase the consistency of the customer service being provided, a substantial site consolidation effort has become the norm for high-performance call center operations. In fact, one organization effectively consolidated over 90 small call centers to one large center with 24-hour customer access.

Proactive Solutions to Peak Calling Periods: A variety of methods are used to plan for and deal with peak call volumes.

They include call avoidance techniques, voice response unit messages designed to address peak period questions, front-line worker augmentation contingency plans, voluntary or mandatory work schedules or overtime, the postponement of training or leave during forecasted or actual peak periods, and the acquisition of sufficient additional circuit and equipment capacity.

Key Call Avoidance Concepts: Call avoidance strategies, such as finding out which customers call most frequently and why, play a major role in capacity planning and the handling of peak loads. For example, a large number of callers from one customer group might frequently complain about a particular service. Rather than add more staff, equipment and circuits to handle the large number of callers, the most cost-effective solution might be to eliminate the cause of the complaints, and therefore the calls. Another call avoidance strategy involves the use of such alternate media as on-demand fax or information systems which allow customers to electronically retrieve certain documents and information quickly, 24 hours a day, and without talking to a front-line worker.

Building Added Capacity into Front–Line Work Stations: Average handling time, abandoned or busy-out calls and queue time can be greatly reduced, and the number of callers successfully satisfied greatly increased, by providing front-line workers with the work station tools and related training to make a complex and lengthy task a quick and easy one. For example, effective work station configurations identify the probable incoming caller and purpose for calling by automatically linking the caller's phone number and account history, and instantly placing this information on the front-line worker's computer screen. In most instances, this allows the front-line worker to anticipate the purpose of the call and get mentally prepared. This results in significantly improved efficiency and customer service.

Coaching–Based Quality Assurance: Silent call monitoring techniques are used to assess quality. However, quality assurance "cops" have been replaced by team leader "coaches" who sit with their team members and monitor calls to recognize "success stories" and determine service quality improvement opportunities. This approach has yielded significantly higher productivity and customer service levels at a substantially reduced operating cost. Since feedback is immediate and constructive in nature, front-line morale and skill levels have also greatly improved. Internal and external customer focus groups and short telephone or mail-out customer surveys also provide feedback on the quality levels of the organization and its services. To ensure usefulness of the information acquired, all surveys are administered or mailed out on the same day the call is handled. Survey timeliness has been found to strongly correlate to the quantity and quality of responses received, and the affected front-line worker's recollection of the instances related to the customer responses.

Customer–Driven Performance Measures: Measures of information and support systems effectiveness are derived from front–line worker and customer satisfaction data and direct feedback. For example, the 15-second Average Speed of Answering (ASA) performance standard typically seen at world-class organizations is based on in-depth studies and analyses of customer behavior and satisfaction data. Customer queue time approaching one minute is universally associated with unacceptable levels of customer service, and is strongly correlated to lost business, lost opportunities and high levels of customer dissatisfaction. Customer satisfaction data help determine the key customer service measures which, in turn, drive the information management standards. The key information management standards are: accurate and timely access to information for front–line workers and their customers; information system reliability (typically over 99.9 percent); timeliness of database update (typically less than 24 hours); and ease of use of front-line work stations.

Customer Access is Paramount: Access to the call center and its services is the organization's top priority and is reflected in such key call center measures as 24 hour availability, a 15-second maximum queue time, and a 2 percent maximum abandoned call rate. The typical busy–out performance standard is "zero instances." Effective capacity planning, forecasting and resource allocation are pivotal to meeting customer access requirements.

Informative Queuing: Callers waiting in the queue are provided with information as to the expected length of delay, allowing them to choose whether to stay in queue or hang up. Typically, these estimates are overstated so that impatient callers are not subjected to the further aggravation of being on hold beyond the estimated queue time. Those callers that do elect to wait in the queue typically abandon the call if they remain on hold longer than 30 seconds.

Front-Line "Internal Customer" Access: Intelligent work stations and a client-server environment are fast becoming the basic operating platform for call centers everywhere. Some of the advantages they offer to the front-line workers are: more timely and accessible information; better efficiency and functionality (especially useful in a downsizing environment); higher productivity, due to "friendlier" user interfaces; more sophisticated tools, such as image management and expert systems; and greater flexibility, due to empowerment of front-line workers.

One-Stop Transactions: The speed of transfer to back gates (i.e., to a worker in another part of the calling center) is not measured since virtually all calls are answered by the front-line worker as opposed to a specialty gate. When transfers are made, they are typically introduced by the front-line worker initially receiving the call. This enables the specialty gate worker to help the customer without asking the customer to restate his or her question, concern or comment.

Call Center Information Technology: Voice and data communications are well integrated, and include the common use of standardized wiring schematics. Voice systems include automatic call distributors and voice response units. Up-to-date, complete databases and on-line work procedures and operating manuals help ensure accurate and timely responses to customer queries. Rapid information updates--typically daily--allow front-line workers to be more responsive to customer needs. For some applications, image processing may speed information access and reduce costly paper storage.

Automatic Call Distribution: Leading edge service does not necessarily require fancy, high-priced technology. Most equipment involved is typically of an off-the-shelf origin. For example, automatic call distributors (ACDs) are generally not customized, except for occasional management reports (which might be customized by the ACD vendor, a third party, or an in-house cadre). Basic features for effective call centers include informative queuing and the use of high-quality headsets by front-line workers to improve their freedom of motion and reduce fatigue. Voice response units provide customized services to customers by routing them to a front-line worker with the appropriate specialized skills.

Key Workstation Design Attributes: Successful desktop information systems are updated daily; do not use coded information; offer sub-second information access times, easy to use interfaces, and built-in procedural information and templates for gathering data in applications; and minimize the number of keystroke entries required from front-line workers. As many as 18 simultaneous applications may be running on one such fielded system.

Networking: Networking is prevalent both within and across call centers. Local area networks are used to share data with intelligent workstations on each front-line worker's station. The ACD provides voice systems connectivity throughout the site. Networking among ACDs provides load balancing and redundancy for disaster recovery. The number of operating locations needed to handle even the largest call volumes (over 100 million per year) is typically one to three call centers, with a maximum of 600 front-line workers per center. This is widely viewed as the optimum number of operating locations due to overhead and administrative cost, consistency of service, and other business and customer management considerations.

Section 3:
PLANNING

DYNAMIC PLANNING PROCESS:

A continuous cycle of planning and program development drives the integration of key elements of the human resource, information management, customer relationship management, and quality improvement plans and strategies into a comprehensive "master plan."

Communicating Strategic Plans: Mission and vision statements provide the focus for strategic planning goals and objectives, and help shape the values and the culture of the organization. Vision statements of world-class organizations typically express the goal of providing the best customer service in the business.

Resource Allocation Strategies: Various off-the-shelf forecasting tools allow call center managers to make highly-effective use of front-line workers to maintain high service quality levels despite cyclical or changing customer demand levels. Continuous evaluations of key performance indicators help to ensure the appropriate alignment of resource allocations with planning objectives. Well-established benchmarking programs help identify improvement opportunities for cross-functional teams.

Human Resource Planning: Highly-selective hiring practices identify applicants who fit the culture and value system of the organization. New workers are fully trained prior to anticipated need dates-there are typically no human resource shortfalls to contend with. An extensive array of recognition programs helps to encourage high levels of participation in individual and team performance improvement activities. Training is based on detailed needs analyses which are linked to achieving the organization's stated mission and vision, as well as strategic goals and objectives.

Information Management Strategies: Technology enhancements are continuously explored to improve productivity and the ability of front-line workers to respond to changing customer demands for more services and better service performance. The transition to new systems is accomplished so smoothly that the effort is transparent to customers.

Extensive Customer Service Plans: Customer feedback programs involve the use of multiple "listening posts," such as interviews, surveys, focus groups and third party assessments. Customer feedback is continuously analyzed by cross-functional teams to determine key customer satisfiers and dissatisfiers, and the respective "root cause" activities. Customers' increasing service quality expectations have driven the need for world-class organizations to run a 24 hour-a-day operation.

Section 4:
HUMAN RESOURCE MANAGEMENT

HIRING:

The application process for front-line positions is rigorous, taking an average of 6-8 weeks. Applicants are thoroughly screened through written tests, panel and telephone interviews and role-playing scenarios. World class companies may interview as many as 30 or more applicants for every opening. Front-line workers participate in all aspects of the hiring process, including conducting interviews, screening applicants, instructing, coaching and mentoring new front-line workers. Salaries for front-line workers in industry are comparable with those for government. A high school diploma or college degree, plus some customer service work experience, are the minimum requirements for front-line workers at most world-class organizations.

Job Standards Tied to Customer Satisfiers: Job standards for front-line workers and managers alike reflect a commitment to delighting the customer. Job standards are tied to key customer satisfiers and clearly communicate the extent to which front-line workers are empowered to serve customers. Mixed messages are avoided (e.g., front-line workers are told to take the time needed to satisfy callers and, hence, are not directly evaluated on the average length of the calls they handle). Performance expectations may be documented through a written contract between the team leader and the front-line worker. The contract identifies yearly goals and outlines a course of action the worker intends to take to meet those goals. This process encourages front-line workers to buy-in to the overarching organizational goals and objectives.

Single-Digit Attrition Rates: While most front-line workers serve full time, most world-class organizations augment this work force with part-time workers to ensure adequate, cost-efficient coverage during peak customer calling periods. The best in the business have extremely low (3-7 percent) attrition rates for front-line positions. High job satisfaction levels, not high salaries, account for the low attrition rates. Several companies plan for front-line job rotation to occur between 24-36 months on the job to avoid "burn-out" and to foster job growth. Attrition is factored into the call demand forecasting so that just-in-time recruitment occurs.

Customer Service Performance Determines Worker Incentives: The job performance of front-line workers is continuously evaluated relative to customer service requirements and related job standards and behavior expectations.

The extent to which front-line workers, call center supervisors and managers adhere to the organization's value system or guiding principles, and make use of customer feedback (e.g., customer survey responses for calls handled) to constantly improve are also continuously assessed. Numerous recognition and reward incentives (over 45 such approaches at one world-class organization) help to recognize and reinforce desirable work behavior and noteworthy job performance. Front-line workers play a leading role in the development of performance appraisal and recognition systems at world-class organizations.

360-Degree Evaluations: Team leaders meet informally on a daily or weekly basis, and formally on a monthly basis, with front-line workers in one-on-one settings to review their progress in meeting individual and team performance goals. Front-line workers receive written monthly summaries documenting individual performance levels and trends. Front-line workers are evaluated by their peers and supervisor on their ability to work as a team, adhere to the organization's value system or guiding principles, meet clearly defined customer service standards and, most importantly, consistently achieve desirable customer satisfaction results. Both service monitoring results and customer recontact survey information are also used for team evaluation purposes. Evaluation measures are performance-based and weighted according to their impact on achieving the organization's mission and vision. For example, customer service measures are most heavily weighted, followed closely by front-line worker satisfaction measures. Business efficiency measures, while important, are given the lowest weighting. Front-line workers evaluate their team leaders and upper management relative to such leadership characteristics as accessibility, responsiveness, problem solving ability, and respect for others.

Outcome-Based Pay Incentives: A portion of pay for the front-line, support staff and management team is tied to meeting specific call center performance targets for quality and customer satisfaction. Individual worker and management incentives are payable only when the entire center achieves the performance targets. Progress toward meeting the goals is measured daily and reviewed weekly and monthly. Incentives are paid quarterly.

Empowerment of Front-Line Workers: Front-line workers choose their job titles to reflects the level at which they are empowered to satisfy customers. For example, a customer service representative, as the title implies, might possess much broader authority to address customer needs than a telephone agent. Similarly, a customer advocate might be empowered to serve as the "voice of the customer" and, hence, have even greater authority to ensure customer needs are addressed. Management delegates such authority to front-line workers as needed to enable them to take those actions required to satisfy and even delight their customers.

Participation on Cross-Functional Teams: Supervisors and managers are continuously evaluated on their effectiveness at soliciting and implementing ideas from front-line workers on how to improve customer service and operational efficiency levels. Teams of front-line workers meet regularly with team leaders and senior managers to discuss customer concerns and suggest improvements to call center operations, policies, procedures and support systems. Front-line workers participate on cross-functional teams to design, improve or reengineer all aspects of call center operations. An announcement that a team is being formed is communicated directly to front-line workers' work stations. Any front-line worker may nominate himself or herself for consideration. Through participation on these teams, front-line workers are able to develop and refine their leadership skills and help breakdown organizational boundaries.

Empowered High-Performance Teams: Decision-making authority needed to satisfy customers is delegated to the front-line employees, who are organized into teams. Team decisions are made by consensus; at least two-thirds of the team members must be comfortable with a team decision and all must be committed to supporting its implementation. Any team member may block a team decision if he or she can provide a reasonable and timely alternative course of action. Problem-solving and conflict resolution are the responsibilities of the front-line teams, with supervisors and managers servperformance for both individuals and teams. Front-line workers frequently nominate peers and team leaders for awards. Cross-functional teams typically manage recognition and reward programs, as well as the associated budget allocations.

Newcomer's Orientation: Every organization member, from the new clerk trainee to the head of the organization, receives orientation training in the organization's mission, vision and guiding principles before they start to work at world-class organizations. Senior executives personally conduct or participate in all sessions. This shows top leadership's commitment to promoting the organization's quality culture.

Education, Training and Development: World class companies embrace a philosophy of continuous training. Training hours are allotted for every front-line worker (ranging from 90-150 hours annually) and are factored into the call demand forecasting and resource scheduling at least one year in advance. Both initial and ongoing training is provided on a just-in-time basis to ensure that the front-line worker receives the most current training possible. Initial training is aligned with key customer satisfiers, such as courteous and respectful behavior, and empowers the worker to satisfy and even delight the customer. Front-line workers are trained to recognize and adapt to different caller personality types. A cadre of front-line work-

Front-Line Worker Satisfaction Surveys: Front-line worker satisfaction is measured as routinely as customer satisfaction. Comprehensive annual survey results are compared to specifically-targeted weekly and monthly surveys to ensure continuous improvement. In addition to information gathered through team leader meetings, brown-bag luncheons with senior managers and numerous other forums, a dedicated group surveys front-line workers by telephone on a continuous basis. Detailed satisfaction results are communicated monthly to all workers electronically and through newsletters. Action teams are immediately formed to propose solutions to any problems which have been identified through the surveys. Progress toward problem resolution is also closely tracked and similarly communicated to all front-line workers on at least a monthly basis.

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Contingency Operations: On very rare occasions when immediate demand exceeds available resources, and the queue exceeds 180 seconds, the automatic call distributor (ACD) manages the length of queue and generates busy signals. Research indicates that customers prefer a busy signal over an inordinately lengthy queue. Worker consoles display the number of calls in queue and the length of queue. Use of the ACD to generate busy signals is an emergency measure taken in response to a forecasting failure; it is not a routine action.

Customer Language Options: Customers are offered language options upon initial contact with the VRU. Callers requiring service in a local dialect or language, such as Spanish in New Mexico or French in Quebec, are automatically gated to bilingual front-line workers by linking the forecasting/scheduling and caller history databases. Calls reaching front-line workers that require transfer to a bilingual agent are made by the receiving front-line worker to a separate gate in the ACD. The caller's preferred language is coded into the caller history database to aid in providing customer service in his or her preferred language in the future. Contract interpretation services are available if the front-line worker needs help communicating with a caller. Some world-class call centers establish a separate 800 number for non-English speaking callers. This number is typically not advertised to the general public, and is only given out by front-line workers to the appropriate customers. Calls from these special 800 numbers are coded into the long distance network to ensure they are delivered to ACD gates within the call center where bilingual workers answer calls.

Fully-Dedicated Call Servicing Resources: Handling incoming calls is the primary and, in many cases, the only function of front-line workers. Other work, such as outbound survey calling, may be performed during occasional idle-time periods. The work station operating system automatically switches back and forth, from inbound to outbound calling, to adjust to varying inbound calling demands.

Empowered to Resolve Customer Issues: Front-line workers are empowered to resolve virtually all calls. Front-line workers "own the call" and first-call resolution rates are 85 percent or greater, with customer requested hand-offs accounting for nearly all of the remainder. Front-line workers are expected to take whatever time is necessary to resolve a caller's issues. Individual call handling time is not used for assessment of performance. Monetary write-off authority is high for front-line workers–at one large company it was equal to that of the vice presidents.

Empowerment Support System: Security/disclosure procedures and safeguards do not interfere with the front-line worker's ability to resolve calls at the initial point of contact. A multiple-screen viewing capability allows front-line workers to quickly satisfy various caller needs during a single call (i.e., one-stop service). Incoming calls are automatically identified in the network and linked to the customer data base so that pertinent information is available for the front-line worker to effectively serve the caller (i.e., data propagation).

Service Observations of Customer Calls: Team leader "coaches" typically monitor 5-

call-handling skills, and immediate recognition if superior service has been provided to a caller. Both silent/remote and side-by-side monitoring are used.

Other Call Monitoring: Senior managers regularly listen in on live calls in order to stay in touch with the customer and pulse the effectiveness of their call center operations. Team leaders participate in group monitoring sessions to ensure consistency of measurement. World-class organizations have moved away from using a separate, formal quality monitoring group for service observations. The call monitoring function is performed by the team leaders; separate monitoring groups have been dissolved.

Performance Assessment: Call evaluations focus on how effectively front-line workers resolve customer issues, and on how well front-line workers demonstrate professionalism, courtesy and respect for the customer during the call. The severity of any noted deficiency is judged based on its impact on the customer. Customer responses to post-call mail and telephone surveys are compared with service observations, shared with the front-line worker who handled the call, and ultimately become part of the front-line worker's performance assessment. Customer service, rather than rigid adherence to policies or procedures, is the most important measure of success.

Operating Procedures and Other Guidance: Procedures and guidelines serve as reference materials to help empowered front-line workers effectively resolve customer issues at the initial point of contact. They are not a substitute for the extensive training and experience that allows front-line workers to exercise sound judgment in making decisions and taking actions in the course of providing customer service. Workers are encouraged to err on the side of the customer in unusual situations. Satisfying and even delighting customers is considered more important than rigidly adhering to scripted procedures. Front-line worker recommendations for needed updates to procedures are continuously solicited. All methods, procedures and other reference materials is on-line and readily available at each work station. Methods and procedures are updated daily to satisfy front-line worker needs. All information is electronically stored, retrieved and communicated. World-class organizations operate in a paperless work setting.

Contingency Resources: Resource needs are determined with service-oriented forecasting for anticipated call demand. New front-line workers are hired and fully trained in sufficient numbers and far enough in advance to meet changing call center and customer service demands. Telephone traffic is adjusted between multiple call answering centers to balance demand with available resources. A central control function is responsible for making any needed adjustments to call routings. Workers in other components of the organization are trained to serve as front-line augmentees during unanticipated peak calling periods, such as after a surprise news announcement, but are never used on a routine basis. To the extent possible, public information releases are timed to avoid receiving an influx of calls at known peak periods. One to three large call centers is the normal configuration for world-class organizations. The maximum number of front-line workers at a single call center is typically about 600.

NATION

Customer Satisfaction Rates: Techniques for assessing satisfaction include:

- Random survey (while customer is on the line)
- Call-back survey
- Call-forward survey (customer transferred/asked to stay on the line)
- Mailing

Customer satisfaction rates derived from call monitoring is analyzed for trends. More information on customer surveys is found in section 7.

Productivity and Efficiency Measures: Effective use of assets is measured by:

- Occupancy rate (number of employees answering calls)
- Agent availability (time answering customer calls)
- Cost per call
- Personal and average call center answer rates
- Information systems availability (99.999 percent ranked in at high norm)

Measures such as “after call work time” or “keystroke time” are not primary measures. Rather, they may be enablers to agent availability or other measures. For example, reducing the number of front line agent keystrokes needed to close a call may increase the availability of the agents. Similarly, information systems management measures support more direct measures of business results. For example, timely update of information systems supports the worker’s ability to provide accurate answers to customer inquiries. Section 2 provides more details on information systems management.

Employee Satisfaction: Surveys and focus groups are two methods used to measure employee satisfaction. 360 degree evaluations or peer evaluations of performance are used to rank satisfaction with management performance. Some of the key indicators are:

- Job satisfaction
- Empowerment
- Career development opportunities
- Fairness
- Recognition
- Teamwork

Section 7:

CUSTOMER FOCUS AND SATISFACTION

IDENTIFICATION OF CUSTOMER BASE:

A dedicated quality assurance team is part of the call center team. This group is responsible for collecting "voice of the customer" data and, in partnership with the call center operations group, translating the data into timely information that is used to improve internal processes. Customers are identified by customer group, product or service line, region, and demographics. This information facilitates effective decision-making by empowered front-line workers to address various customer service needs.

Extensive Surveying Activity: Customers are surveyed constantly to determine satisfaction levels for existing services and gather requests for new services. Surveys are used to measure system accessibility, front-line professionalism, and overall customer satisfaction with the way their calls are handled. Customer focus groups are also used to determine the needs of specific customer groups and how well those needs are being met. Mail and telephone customer surveys are conducted to assess the level of customer satisfaction with specific transactions. Telephone surveys are typically made within 48 hours of the completed customer contact. Mail surveys are automatically sent to customers within 24 hours for those calls which have been monitored. The results from these surveys are shared with call center support personnel and front-line workers.

Management of Customer Delight: The customer service goal for world-class organizations is to not only satisfy customers, but to delight them. The management team is responsible for collecting and analyzing "voice of the customer" data, and taking action on this data to demonstrate their commitment to delighting customers. To this end, both caller satisfaction and dissatisfaction are measured. Critical analyses are made of positive customer feedback against tough performance standards. Complaints are tracked and general findings are shared with all front-line workers via on-line systems. Management actively seeks front-line worker participation in finding ways to better satisfy customers and improve operations.

Management of Customer Dissatisfaction: A dedicated customer relations team receives and handles complex customer issues and complaints, policy-related issues, and unusual customer requests or special needs that cannot be readily resolved by front-line workers. This is typically a higher-graded, centralized group of problem-resolution specialists. Customers can either access this team directly, or go through an internal transfer. Information on caller complaints is entered into the database system and used to help identify root causes of problems. The customer dissatisfaction recovery process includes surveying customers for satisfaction with complaint resolution efforts.

IN THE VOICE OF THE CUSTOMER

The benchmarking findings have been summaried below in a manner that emphasizes the focus and commitment to customer service which team members observed throughout the study.

I AM A CUSTOMER:

- I only have to call one number for service.
- Live service is available 24 hours a day, seven days a week, so I can call when it is convenient for me.
- The first thing I hear is a recorded message which lets me select service or language options.
- I have the choice to use automated service or speak with a representative.
- An interpreter is provided if I am not comfortable conducting my business in English.
- I rarely have to wait on hold, and if I do it is seldom for more than 15 seconds.
- The representatives answering my calls are courteous, friendly, helpful and knowledgeable. They take the time to help me. I don't feel rushed, and I am allowed the time to take care of everything when I call.
- Nine times out of ten, my questions are answered and my problems are solved with a single call.
- Within 48 hours, the company may send me a survey form, comment card or call me back to ask if I was satisfied with the service I received and what improvements I think are needed.

I AM A CUSTOMER REPRESENTATIVE:

- It is my job to satisfy or even delight the caller.
- My working environment is pleasant, with ergonomic furniture and plenty of natural light.
- All of my procedure and reference material is on-line, in a user friendly format. I do not have to remember hundreds of codes. I do not have to refer to paper manuals. The system alerts me to new procedures and other information I need to have to serve the callers.
- The system uses the caller's telephone number to search the database, and sends the customer data to my computer screen by the time I answer

I AM A TEAM LEADER:

- It is my job to satisfy or even delight the caller.
- I support a team of 20 to 24 customer representatives.
- My main responsibility is monitoring the representatives' calls to reinforce positive behavior and determine where each individual needs more training or coaching.
- I monitor calls to learn if the representative took all the needed actions, controlled the customer focus, avoided slang and jargon, employed active listening and demonstrated patience. I listen to know if the customer was satisfied.
- I look to success and reward outstanding customer service.
- I am a coach, not a cop. I was selected for this job because I have good interpersonal skills. I have been trained in leadership skills.
- The job standards for the representatives and the team leaders are tied to key customer satisfiers. There are no mixed messages. For example, we tell the representatives to take all the time they need to fully serve the customer, so we don't measure individual call handle time.
- I meet with my team regularly to discuss customer and employee concerns. We celebrate each other's successes and special occasions, such as birthdays.

I AM A SENIOR MANAGER:

- It is my job to satisfy or even delight the caller. It is also my job to satisfy or even delight the front-line employees.
- We are in business to delight our customers. We don't have a second chance to make a first impression. We treat every call as our only call.
- We listen to our customers. We use focus groups, caller surveys, comment cards and telephone recontact programs to solicit their opinions on our service. We act on their replies.
- Our representatives know the customers better than anyone else in the company, so we ask them how to improve our service. We involve the front-line employees in all aspects of planning and providing customer service.
- It is my responsibility to remove the barriers and roadblocks to providing world class customer service.
- I frequently take the time to listen in on calls and sit with representatives to stay in touch with both the customers and the employees.
- We recognize outstanding customer service with our most prestigious award. We ask the award recipients to act as an advisory council for senior management.
- We treat our employees the way we want them to treat the customers. We have goals for employee satisfaction and we work hard to reach the goals.
- We survey all employees at least once a year, and sample continuously for employee satisfaction. We share the call center results with all employees and take action to correct problems. We also share information down to the unit level.
- We are choosy about who we hire to answer customer calls. We invest much time in selecting and training customer representatives.
- We have replaced damage control with continuous improvement.

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